

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3867
ANSWERED ON:13.12.2002
ONE BILLION FOREX FRAUD
S. SAIDUZZAMAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government attention have been drawn to the news items captioned 'Probe into \$ 1 bn forex fraud by corporates' appearing in Business Standard dated 10th June, 2002;
- (b) if so, the names of the companies and the amounts pending against each of them; and
- (c) the action the Government propose to take against these companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes, Sir.

(b) The Directorate of Enforcement has reported that the number of companies which had failed to submit proof of physical imports after having remitted foreign exchange of more than Rs.1 crore each to overseas sellers is 676. In addition, there are about 2500 companies which had similarly remitted, without proof of physical imports, foreign exchange of Rs.1 crore each or less. The efforts involved in compiling company-wise information in such a large number of cases as referred to in the question will not be commensurate with the results intended.

(c) The Directorate of Enforcement has already issued Show Cause Notices in the above- mentioned cases under the relevant provisions of the Foreign Exchange Regulation Act, 1973. These cases are now before the Adjudicating authorities.